

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Mahatma Gandhi National Rural Employment Guarantee Scheme - Andhra Pradesh procurement of material for works Rules 2012-Orders - Issued.

PANCHAYAT RAJ AND RURAL DEVELOPMENT (RD II) DEPARTMENT

G.O.Ms.No. 42

Date: 16.2.2012

Read the following:

1. Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Central Act No.42 of 2005)
2. G.O. Ms No. 550 PR&RD (RDII) Department Dt.6.12.2007

Order:

Whereas, the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Central Act No.42 of 2005) gives legal guarantee of at least one hundred days of wage employment in a financial year to a rural household, whose adult members volunteer to do unskilled and manual work;

2. And whereas, the scheme of implementation of Mahatma Gandhi National Rural Employment Guarantee Act has been prescribed in the Scheme vide GO 2nd read above;

3. And whereas, it has been pointed out in the social audits conducted under the scheme that a transparent system for procurement of material required for various Mahatma Gandhi National Rural Employment Guarantee scheme shall be put in place to avoid leakages and to assure better quality;

4. And whereas, Sub section (3) of section 23 of Mahatma Gandhi National Rural Employment Guarantee Act 2005 mandates that the State Government may by rules determine the arrangements to be made for the execution of the scheme;

5. And whereas, Section 32 of the Mahatma Gandhi National Rural Employment Guarantee Act gives powers to the State Government to make Rules to carry out the provisions of the Act;

6. Now, therefore, the Government of Andhra Pradesh have decided to, in exercise of the powers conferred on the State Government under Section 32, read with Section 25 of Mahatma Gandhi National Rural Employment Guarantee Act, 2005, prescribe Rules for procurement of material for works taken up funded either fully or partly from Mahatma Gandhi National Rural Employment Guarantee scheme;

7. Accordingly the following notification will be published in the extraordinary issue of the Andhra Pradesh Gazette dated 16.2.2012.

Notification

In exercise of the powers conferred by sub-section (1) of section 32 read with sub-section (3) of section 23 of the of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Central Act No:42 of 2005) and to bring transparency in procurement of material required for execution of works taken up with funding from Mahatma Gandhi National Rural Employment Guarantee Scheme either partly or fully, the Governor of Andhra Pradesh hereby makes the following Rules for procurement of material for works:

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1. Short Title, commencement and extent

- (1) These rules may be called the Mahatma Gandhi National Rural Employment Guarantee Scheme - Andhra Pradesh procurement of material for works Rules, 2012.
- (2) They will apply to all works having material component with effect from 1st April 2012, funded either fully or partly from Mahatma Gandhi National Rural Employment Guarantee Scheme; but do not apply to works costing Rs. 50,000 or less allotted to the beneficiaries or their groups themselves for execution.

2. Definitions

In these rules unless the context otherwise requires:-

- (a) "Act" means the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.
- (b) "Agreed level" of a work is a stage as defined in the terms of payment or agreement with the work executing member.
- (c) "Commissioner" means the Commissioner of Rural Development who is responsible for execution of the Mahatma Gandhi National Rural Employment Guarantee Scheme in Andhra Pradesh.
- (d) "Identified material suppliers" are those material suppliers who are identified based on a transparent tendering process by the District Collectors.
- (e) "Material Register" is the register to be maintained by the work executing member to enter the quantity of material that has been received from the identified material suppliers in good quality.
- (f) "Material" means material required for execution of works viz. cement, steel, sand and metal or any other material notified by the Commissioner.
- (g) "Rural Standard Schedule of Rates (RSSR)" is the specific standard schedule of rates that has been formulated for the purpose of estimate preparation and execution of works.
- (h) "Software" is the integrated computer programme developed for the purpose of preparation of estimates and execution of works.
- (i) "Village Organisation" of self-help groups is a federation of self-help groups formed by department of rural development.
- (j) "Work executing member" means a member of the Gram Sabha identified by the Gram Panchayat for executing a particular work.
- (k) "Work" is any work taken up and funded either partly or fully under the Mahatma Gandhi National Rural Employment Guarantee Scheme involving both labour and material components, by any implementing agency.

3. Execution by Gram Panchayat:

- (1) All works with material component shall hereafter be executed by Gram Panchayat with the material procured as per the system prescribed herein.
- (2) For this purpose, the Gram Panchayat shall identify the work executing member who shall be responsible for executing the work as per standards in the design and estimate.
- (3) The work executing member of the Gram Panchayat shall be paid 2.5% of the total value of work done at each stage as 'supervision charges'. Apart from this, the work executing member shall be paid the cost of skilled labour and other miscellaneous items not included in item (1) above.

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4. Preparation of data

- (1) Commissioner shall, in consultation with the Technical Advisor, prepare data for each item of work which shall be used in preparation of estimates.
- (2) The software shall be modified to incorporate this data and shall be adopted for all works taken up.

5. Procurement of material

- (1) All material required for execution of works taken up under the Act shall be procured only from the material suppliers identified through an open and transparent tendering system once a year.
Provided that if the same quality material is available locally at rates lower than those finalised in the manner stated above, the work executing member shall be authorised to procure such material subject to verification of quality by the check measurement officer.
- (2) All material suppliers shall be paid for the quantity used in the work through an electronic payment system into their accounts.

6. Notification

- (1) In December every year, the District Programme Coordinator shall issue a Tender Notification inviting electronic tenders from suppliers of various material required for execution of works proposed to be taken up in the following financial year duly specifying tentative estimated quantities Mandal-wise.
However, for execution of works till 31st March 2013, DPCs shall immediately call for e-tenders and finalise the same within thirty days from the date of issue of the Rules.
- (2) Supplier, who is an agency/individual with more than three years' experience in supply of the specific material, shall be qualified to participate in the e-Tender.

7. Submission of tenders & finalisation

- (1) All tenderers shall register online in the software provided for this purpose and state their capability and also file their financial bids for such Mandals and such materials for which they have competence to supply after paying a registration fee of Rs. 5,000.
- (2) As soon as may be, and in any case not later than three days from the last date notified for registration, the District Programme Coordinator shall cause verification of the capabilities of the registered agencies; and confirm such technically qualified registered agencies for opening their financial bids.
- (3) The financial bids of the technically qualified registered agencies shall be opened on the day notified by the District Programme Coordinator and the rates quoted by all eligible tenderers should be displayed for each material and each Mandal in a website accessible by general public.
- (4) The District Programme Coordinator shall finalise the lowest tenderer for each material and each mandal on or before 31st March of each year.
- (5) No rate finalised under the above system shall be more than the prevailing Standard Schedule of Rates for those items, in which case, the software shall automatically reject such quotations.
- (6) The District Programme Coordinator or any officer authorised by him will enter into Memorandum of Understanding (MoU) with the identified material suppliers after taking Earnest Money Deposit of 1% of the total material indent through Bank Guarantee.

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8. Adoption of the finalised rates

- (1) The material rates finalised in the above manner shall be adopted in the Rural Standard Schedule of Rates for that year.

- (2) All estimates of works containing material component shall be revised by using these rates.

9. Work commencement letter

- (1) As and when the Gram Panchayat is ready for execution of a work, the Programme Officer shall generate a 'work commencement order' using the software.
- (2) The work commencement order generated through the software shall be issued in two parts: Part A indicating the quantities required along with the specification of the material addressed to the identified material supplier; and Part B addressed to the Gram Panchayat giving detailed estimate and the details of the material already indented.

10. Indenting, receipt and recording of material

- (1) The check-measurement officer of the respective implementing agency shall place indent for material which is required from time to time for execution of works on the identified material supplier.
- (2) Based on the indent received in Part A of the work commencement letter, the identified material supplier shall deliver the material indented within fifteen days from the date of such indent.
- (3) Failure to supply material as per the indent shall be liable for a penalty which shall not be less than Rs. 500 for each day of delay.
- (4) If the quality of material supplied is found to be inferior by the work executing member or any of the inspecting officers, either before or after utilization of the stocks, recoveries shall be made from the supplier.
- (5) All material shall be received by the work executing member only if the quality is as per standards stated in the estimate. All such material received shall be recorded in the Material Register by the work executing member of the Gram Panchayat and shall be evidenced by at least three other members of the Gram Panchayat and the President of the Village Organisation of the Self Help Groups.
- (6) It shall be the responsibility of the work executing member to ensure that the material received is protected and used in the execution of the work.

11. Measurement and payment

- (1) Within one week from the date of receipt of materials and their stacking at the site,
 - a. The recording authority shall inspect and record the material in the M-Book
 - b. The same shall be check-measured by the competent authority and
 - c. 80% of the cost of material supplied shall be paid using e-pay order system directly into the bank account of the identified material supplier.
- (2) Wherever unskilled labour has been used for the work, muster rolls shall be maintained as laid down under the Scheme and entered in the software for making payment of wages.
- (3) As soon as may be, and within four days from the date of completion of the work fully or up to an agreed level, recording and check-measurement of work shall be completed by the competent authorities and value of work shall be arrived at.

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- (4) The details recorded in the measurement book shall be entered in the software at the computer centre; and the software shall generate the quantum of material, skilled wages and unskilled wages used.
- (5) Based on the measurements, an electronic pay order will be generated ordering electronic transfer of payments as follows:
 - a. Wage components will directly be credited to wage seekers account.

- b. Payment for the material used on the work, duly adjusting the payment earlier made for receipt of such material, shall directly go to the suppliers, based on finished measured quantities recorded.
- (6) Expenditure on skilled labour and expenditure on miscellaneous items like centering, vibrator etc and not included in (a) and (b) above will be paid directly to Work Executing Member. The Work Executing Member shall also be paid 2.5% on overall expenditure towards supervision at each stage.

12. Responsibility of technical sanction authority

- (1) Before giving technical sanction, it shall be the responsibility of the technical sanction authority to inspect the work site to ensure that the estimate is accurate and the specifications, provisions and measurements are as per the requirements at the work site.
- (2) In case of any violation in this regard, a penalty of not less than Rs.1,000 shall be imposed on such technical sanction authority as per section 25 of the Act.

13. Responsibility of the Programme Officer/implementing agency

- (1) The Programme Officer/implementing agency shall be responsible for coordinating with the Gram Panchayat, the work executing member, the identified material suppliers for execution on time and as per quality standards in the estimate.
- (2) The Programme Officer/implementing agency shall ensure that the payment is made within seven days from the date of recording of the work.

14. Responsibility of the Work Executing Member (WEM)

- (1) The Work Executing Member shall be responsible for -
- a) Receipt and protection of the material
 - b) Execution of the work with the material delivered at site by the identified material supplier;
 - c) Maintaining quality standards in execution;
 - d) Engage and employ the skilled/semi-skilled labour, centering materials, vibrators and such other material which is needed as per the estimate but not ordered directly from the identified material supplier;
 - e) Complete work without break by managing the materials supplied and skilled labour engaged;
 - f) Maintain a separate bank account in any of the banks on core banking system;
- (2) In case of faulty execution or poor quality of work, the Work Executing Member is liable for a penalty, which shall be not less than the value of work executed.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT

The Commissioner, Printing, Stationery and Stores Purchase (Printing wing), Government Printing Press, Chanchalguda, Hyderabad with a request to publish the Notification in the next issue of extraordinary Gazette and furnish 1000 copies to PR & RD (RD-II) Department.

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The Commissioner, Rural Development, AP., Hyderabad
The Director, MGNREGS - AP
The District Collectors and District Programme Coordinators
The Project Directors, DWMAs and Addl.Dist.Programme Coordinators
The Project Directors, DRDAs and Addl.Dist.Programme Coordinators
The Chief Executive Officers, ZPs and Addl.Dist.Programme Coordinators
The Project Officer, ITDA and Addl. Dist. Programme Coordinators
The Commissioner, Panchayat Raj, AP., Hyderabad
The Commissioner, Tribal Welfare, AP., Hyderabad

The Commissioner, AMR APARD, Rajendranagar, Hyderabad

Copy to:

The Accountant General, AP, Hyderabad.

The Director of Treasuries and Accounts, A.P. Hyderabad.

The Special Secretary to Hon'ble Chief Minister.

The PS to Minister (RD, RWS & EG).

The Private Secretaries to all Ministers

The PS to Chief Secretary to Government.

The Law (A) Department

The PS to the Principal Secretary to Government (RD).

The PR&RD (Genl) Department,(2 copies).

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SECTION OFFICER